

2008 EDUCATIONAL REQUIREMENT CHANGE

Trainee License & Residential License

150 hours of education

Qualifying Education hours must include instruction in the following modules:

| | |
|----------|--|
| 30 hours | Basic Appraisal Principles |
| 30 hours | Basic Appraisal Procedures |
| 15 hours | The 15-hour National USPAP Course |
| 15 hours | Residential Market Analysis and Highest and Best Use |
| 15 hours | Residential Appraiser Site Valuation and Cost Approach |
| 30 hours | Residential Sales Comparison and Income Approaches |
| 15 hours | Residential Report Writing and Case Studies |

Note: Course work for the Trainee License cannot be taken more than 5 years prior to the application date.

Certified Residential License

200 hours of education **and** an Associate Degree from a Regionally Accredited College.

Qualifying Education hours must include instruction in the following modules:

| | |
|----------|---|
| 30 hours | Basic Appraisal Principles |
| 30 hours | Basic Appraisal Procedures |
| 15 hours | The 15-hour National USPAP Course |
| 15 hours | Residential Market Analysis and Highest and Best Use |
| 15 hours | Residential Appraiser Site Valuation and Cost Approach |
| 30 hours | Residential Sales Comparison and Income Approaches |
| 15 hours | Residential Report Writing and Case Studies |
| 15 hours | Statistics, Modeling and Finance |
| 15 hours | Advanced Residential Applications and Case Studies |
| 20 hours | Appraisal Subject Matter Electives. May include hours over the minimum requirement in the above modules or in modules not listed above. |

* In lieu of the Associate Degree, an applicant can complete 21 college semester credits in courses covering specific subject matters: English Composition; Principles of Economics (Micro or Macro); Finance, Algebra, Geometry or higher mathematics; Statistics, Introduction to Computers; and Business or Real Estate Law.

Certified General License

300 hours of education **and** an Bachelors Degree from a Regionally Accredited College or University.

Qualifying Education hours must include instruction in the following modules:

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|----------|---|
| 30 hours | Basic Appraisal Principles |
| 30 hours | Basic Appraisal Procedures |
| 15 hours | The 15-hour National USPAP Course |
| 30 hours | General Appraiser Market Analysis and Highest and Best Use |
| 15 hours | Statistics, Modeling and Finance |
| 30 hours | General Appraiser Sales Comparison Approach |
| 30 hours | General Appraiser Site Valuation and Cost Approach |
| 60 hours | General Appraiser Income Approach |
| 30 hours | General Appraiser Report Writing and Case Studies |
| 30 hours | Appraisal Subject Matter Electives. May include hours over the minimum requirement in the above modules or in modules not listed above. |

****** In lieu of the Bachelors Degree, an applicant can complete 30 college semester credits in courses covering specific subject matters: English Composition; Micro Economics; Macro Economics; Finance, Algebra, Geometry or higher mathematics; Statistics, Introduction to Computers; and Business or Real Estate Law; and two elective courses in accounting, geography, ag-economics, business management, or real estate.

2008 BASIC EDUCATION MODULE REQUIREMENTS

A module is a subject matter area and not necessarily the name of the courses. A course may consist of one or two complete modules or portions of several different modules. The following is a list of modules that are required for each license level effective January 1, 2008.

| Minimum Hour | Basic Education Modules | License Level | | |
|--------------|--|-----------------|-----------------------|-------------------|
| | | Trainee/License | Certified Residential | Certified General |
| 30 | Basic Appraisal Principles | X | X | X |
| 30 | Basic Appraisal Procedures | X | X | X |
| 15 | 15-Hour National USPAP Course | X | X | X |
| 15 | Residential Market Analysis and highest and Best Use | X | X | |
| 15 | Residential Appraiser Site Valuation and Cost Approach | X | X | |
| 30 | Residential Sales Comparison and Income Approach | X | X | |
| 15 | Residential Report Writing & Case Studies | X | X | |
| 15 | Advanced Residential Applications and Case Studies | | X | |
| 15 | Statistics Modeling and Finance | | X | X |
| 30 | General Appraiser Market Analysis and Highest and Best Use | | | X |
| 30 | General Appraiser Sales Comparison Approach | | | X |
| 30 | General Appraiser Site Valuation and Cost Approach | | | X |
| 30 | General Appraiser Report Writing and Case Studies | | | X |
| 60 | General Appraiser Income Approach | | | X |
| | Appraisal Subject Matter Electives. May include hours over the minimum requirement in the above modules or in modules not required | | 20 hours | 30 hours |

2008 BASIC EDUCATION MODULE AND SUBTOPICS

The following are the subtopics for each module. Not all module subtopics are required for credit of a module. Courses may contain one module or parts of one or more modules.

Basic Appraisal Principles (30 hours required at all levels)

- A. Real Property Concepts and Characteristics
 - Basic Real Property Concepts
 - Real Property Characteristics
 - Legal Description
- B. Legal Consideration
 - Forms of Ownership
 - Public and Private Controls
 - Real Estate Contracts
 - Leases
- C. Influences on Real Estate Values
 - Governmental
 - Economic
 - Social
 - Environmental, Geographic and Physical
- D. Types of Value
 - Market Value
 - Other Value Types
- E. Economic Principles
 - Classical Economic Principles
 - Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
 - Market Fundamentals, Characteristics, and Definitions
 - Supply Analysis
 - Demand Analysis
 - Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

Basic Appraisal Procedures (30 hours required at all levels)

- A. Overview to Approaches to Value
- B. Valuation Procedures
 - Defining the Problem
 - Collecting and Selecting Data
 - Analyzing
 - Reconciling and Final Value Opinion
 - Communicating the Appraisal
- C. Property Description
 - Geographical Characteristics of the Land/Site
 - Geologic Characteristics of the Land/Site
 - Location and Neighborhood Characteristics
 - Land/Site Considerations for Highest and Best Use
 - Improvements – architectural Styles and Types of Construction
- C. Residential Applications

The 15-Hour National USPAP Course or It's Equivalent (required at all levels)

Residential Market Analysis and Highest and Best Use (15 Hours required at AT, AL & AR Levels)

- A. Residential Markets and Analysis
 - Market Fundamentals, Characteristics and Definitions
 - Supply Analysis
 - Demand Analysis
 - Use of Market Analysis
- B. Highest and Best Use
 - Test Constraints
 - Application of Highest and Best Use
 - Special Considerations
 - Market Analysis
 - Case Studies

Residential Appraiser Site Valuation and Cost Approach (15 Hours required at AT, AL & AR Levels)

- A. Site Valuation
 - Methods
 - Case Studies
- B. Cost Approach
 - Concepts and Definitions
 - Replacement/Reproduction Cost New
 - Accrued Depreciation
 - Methods of Estimating Accrued Depreciation
 - Case Studies

Residential Sales Comparison and Income Approaches (30 Hours required at AT, AL & AR Levels)

- A. Valuation Principles & Procedures – Sales Comparison Approach
- B. Valuation Principles & Procedures – Income Approach
- C. Finance and Cash Equivalency
- D. Financial Calculator Introduction
- E. Identification, Derivation and Measurement of Adjustments
- F. Gross Rent Multipliers
- G. Partial Interests
- H. Reconciliation
- I. Case Studies and Applications

Residential Report Writing and Case Studies (15 Hours required at AT, AL & AR Levels)

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report options and USPAP Compliance
- E. Case Studies

Statistics, Modeling and Finance (15 Hours required at AR & AG Levels)

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

Advanced Residential Applications and Case Studies (15 Hours at AR Level)

- A. Complex Property, Ownership and Market Conditions
- B. Deriving and Supporting Adjustments
- C. Residential Market Analysis
- D. Advanced Case Studies

General Appraiser Market Analysis and Highest and Best Use (30 Hours required at AG Level)

- A. Real Estate Markets Analysis
 - Market Fundamentals, characteristics and Definitions
 - Supply Analysis
 - Demand Analysis
 - Use of Market Analysis
- B. Highest and Best Use
 - Test Constraints
 - Application of Highest and Best Use
 - Special Considerations
 - Market Analysis
 - Case Studies

General Appraiser Sales Comparison Approach (30 Hours required at AG Level)

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

General Appraiser Site Valuation and Cost Approach (30 Hours required at AG Level)

- A. Site Valuation
 - Methods
 - Case Studies
- B. Cost Approach
 - Concepts and Definitions
 - Replacement/Reproduction Cost New
 - Accrued Depreciation
 - Methods of Estimating Accrued Depreciation
 - Case Studies

General Appraiser Income Approach (60 Hours required at AG Level)

- A. • Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

General Appraiser Report Writing and Case Studies (30 Hours required at AG Level)

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies